

MONTANA-DAKOTA UTILITIES CO.

Incentive Compensation Adjustment
Test Year Ended December 31, 2014

(A)	Electric (B)	Gas (C)
1. Pro forma payroll including incentives	\$2,220,038	\$5,429,365
2. Incentives included in payroll @ 8.98%	\$182,932	\$447,382
3. Non-executive wages as percent of total	96.96874%	96.96874%
4. Non-executive bonuses & incentives	\$177,387	\$433,821
Eliminations from revenue requirement		
5. Non-exec financial base awards @ 33%	(\$58,538)	(\$143,161)
6. Executive awards @ 100%	(5,545)	(13,561)
7. Payroll adjustment	(\$64,083)	(\$156,722)

Sources:

- Column B, Line 1: MDU Statement H, Schedule H-1, Page 6
- Column C, Line 1: MDU Statement H, Schedule H-1, page 22
- Line 2: 8.98% from MDU Gas workpaper page H-14
- Line 3: Email from Travis Jacobson on 3/17/16
- Line 5: 33% of Target is Earnings Goal from MDU Response 5-33 (Gas)
- Line 6: 100% of Target for Executives is Earnings Goal from MDU's Response 5-33 (Gas)